

**IN THE CLAIMS:**

1-8. (canceled)

9. (original): A method of canceling an echo of a receive signal in a transmit signal while controlling a signal level of the transmit signal, comprising the steps of:

- (a) detecting activity of the transmit signal and the receive signal;
- (b) generating signal level data for the transmit signal;
- (c) updating the signal level data when the transmit signal is active and the receive signal is inactive, the signal level data being left unchanged when the receive signal is active;
- (d) generating an echo cancellation signal from the receive signal;
- (e) amplifying the echo cancellation signal according to the signal level data, thereby generating an amplified echo cancellation signal;
- (f) amplifying the transmit signal according to the signal level data, thereby generating an amplified transmit signal; and
- (g) subtracting the amplified echo cancellation signal from the amplified transmit signal, thereby generating a transmit output signal.

10. (original): The method of claim 9, wherein said step (d) is carried out by use of coefficients, further comprising the step of:

updating the coefficients when the transmit signal is inactive and the receive signal is active.

11. (original): The method of claim 9, wherein said step (a) further comprises the steps of:

AMENDMENT AFTER ALLOWANCE

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comparing the transmit signal with a first minimum input level; and  
comparing the receive signal with a second minimum input level.

12. (original): The method of claim 9, wherein said step (f) and said step (g) employ identical gain factors.

13. (previously presented): An echo canceler receiving a transmit signal and a receive signal, the transmit signal including an echo of the receive signal, comprising:

an echo cancellation signal generator updating filter coefficients when the transmit signal is less than a first minimum input level and the receive signal exceeds a second minimum input level;

a signal level data generator updating signal level data when the transmit signal exceeds the first minimum input level and the receive signal is less than the second minimum input level;

a first automatic gain control unit updating a first gain when the signal level data generator updates the signal level data; and

a second automatic gain control unit updating a second gain when the signal level data generator updates the signal level data.

14. (currently amended): An echo canceler receiving a transmit signal and a receive signal, the transmit signal including an echo of the receive signal, comprising:

an echo cancellation signal generator generating an echo cancellation signal from the receive signal by use of filter coefficients, and updating the filter coefficients when the transmit

signal is less than a first minimum input level and the receive signal exceeds a second minimum input level;

a signal level data generator generating signal level data for the transmit signal and updating the signal level data when the transmit signal exceeds the first minimum input level and the receive signal is less than the second minimum input level, the signal level data being left unchanged when the receive signal exceeds the second minimum input level;

a first automatic gain control unit coupled to the echo cancellation signal generator, amplifying the echo cancellation signal with a first gain responsive to the signal level data, and updating the first gain when the signal level data generator updates the signal level data, thereby generating an amplified echo cancellation signal;

a second automatic gain control unit coupled to the signal level data generator, amplifying the transmit signal with a second gain responsive to the signal level data, and updating the second gain when the signal level data generator updates the signal level data, thereby generating an amplified transmit signal; and

an arithmetic unit coupled to the first automatic gain control unit and the second automatic gain control unit, subtracting the amplified echo cancellation signal from the amplified transmit signal, thereby generating a transmit output signal for output from the echo canceler.

15. (previously presented): The echo canceler of claim 14, wherein the first gain is equal to the second gain.